

Lowell Public Schools

**FY22 Quarter 2 Budget Update
& FY23 Budget Intro**

January 19, 2022



AGENDA

Continuous Review of Two Budget Years Simultaneously To Ensure Maximizing Every Funding Stream

- What is our current FY22 general fund forecast?
- What priorities can be addressed immediately in FY22?
- What is the current status of our revolving accounts?
- What current FY22 issues remain that need to be addressed? (*e.g. MGL 44 s64*)
- What are our next steps as we plan for FY23?

Current FY21/22 Budget Review

Projecting year end balances during such a tumultuous time is difficult. Due to staff shortages and supply chain obstacles, we project significant savings. However, due to an environment of high demand with low supply, we are also seeing costs skyrocket. Thus, our forecasts for the current year and projections for next fiscal year require continuous analysis and updating.



Ongoing Fund Management

Salaries

Budgeted	\$ 147,179,345.00
Projected	\$ 142,679,345.00
Difference	\$ 4,500,000.00

Out of District Tuition

Budgeted	\$ 10,972,500.00
Projected	\$ 10,472,500.00
Difference	\$ 500,000.00

Total Difference \$ 5,000,000.00

Maximize Revolving Accts \$ 1,000,000.00

Total Budget Flexibility \$ 4,000,000.00

Reinvestments Based on Priorities and Needs

Total Budget Flexibility \$ 4,000,000.00

Digital Investments \$ 1,200,000.00

FY22 Remaining Flexibility \$ 2,800,000.00

Additional Priorities Still Being Analyzed

Staff Recruitment/Retention TBD

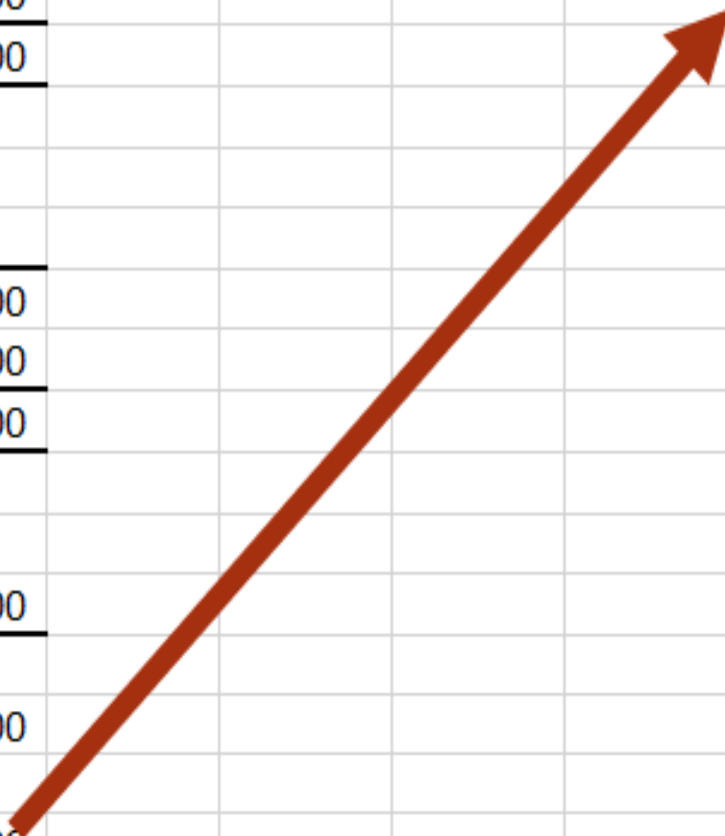
Data Systems TBD

Facility Improvements TBD

FY23 Offsets TBD

Fund the SPED Stabilization TBD

Delay Grant Spending TBD



Priorities for Leveraging Forecasted FY22 Line Item Surpluses

- Maximizing revolving accounts
- Digital Learning (immediate action)
- Staff Recruitment and Retention
- Data Systems
- Facility Improvements
- FY23 Offsets
- Delay grant spending (when carry over allowed)



Projection of ESSER Funds

Available surpluses within the local budget has enabled greater flexibility with the ESSER funds. The original ESSER plan/budget estimated \$30,671,330 would be spent year one. Now, the estimated amount is approximately \$9,711,438.

Below are some reasons to note:

- **Several recommended positions were placed in suspense by the SC during the FY22 budget process with the directive to ensure thorough planning throughout FY22**
- **The SC approved the delaying of spending the ESSER funds for the facilities pending a joint meeting with the City Council. Thus, this budgeted amount has been moved to FY23.**
- **Several positions remain within the recruitment phase. The cost for these positions will not be incurred until the positions are filled.**

				Year 1		Year 2		Year 3	
				ESSER II	ESSER III	ESSER II	ESSER III	ESSER II	ESSER III
High Quality Teach District		1 hr per week PD	DELAYED			\$ 2,297,610.00		\$ 2,297,610.00	
High Quality Teach District		CLSP Coordinator	DELAYED				\$ 100,000.00		\$ 100,000.00
High Quality Teach Renaissance		Deputy CAO	DELAYED				\$ 150,000.00		\$ 150,000.00
High Quality Teach Renaissance		Academic Coaches	REALLOCATED to REN SCHOOLS						
RED LINES REALLOCATED TO		MRT	Greenhalge	\$	97,954.00		\$ 97,954.00		\$ 97,954.00
		Literacy Specialist	Sullivan	\$	111,472.00		\$ 111,472.00		\$ 111,472.00
		Reading Teacher	Stoklossa	\$	97,954.00		\$ 97,954.00		\$ 97,954.00
		Data Analyst	Shared btw Butler and Stoklossa	\$	104,000.00		\$ 104,000.00		\$ 104,000.00
		Cont Data Support	Bartlett and Sullivan	\$	20,000.00		\$ 20,000.00		\$ 20,000.00
		PD	Butler additional PD	\$	43,000.00		\$ 43,000.00		\$ 43,000.00
		PD	DELAYED			\$ 939,072.00		\$ 939,072.00	
High Quality Teach District		Data Facilitators	REALLOCATED TO REN SCHOOLS						
Strategic Intervent District		Increase SBB pool	Social Workers	\$	4,000,000.00		\$ 5,450,000.00		\$ 5,450,000.00
Strategic Intervent District		Social Workers	1 social worker shared by the	\$	117,000.00	\$	117,000.00		\$ 117,000.00
		Social Workers	Robinson and Sullivan additional	\$	234,098.00		\$ 234,098.00		\$ 234,098.00
		Tutors	6 Tutors at Renaissance Schools	\$	36,050.00		\$ 36,050.00		\$ 36,050.00
Strategic Intervent District		Virtual Academy	Administrator				\$ 140,000.00		
Strategic Intervent District		Virtual Academy	16 teachers \$97,500 avg salary				\$ 1,560,000.00		
Strategic Intervent District		Virtual Academy	Guidance Counselor				\$ 110,000.00		
Strategic Intervent District		Virtual Academy	Social Worker				\$ 117,000.00		
Extended Learning District		After School	See Robin's spreadsheet	\$	1,700,000.00	\$	1,700,000.00		\$ 1,700,000.00
Extended Learning District		Summer Program	See Robin's spreadsheet	\$	700,000.00	\$	800,000.00		\$ 900,000.00
Extended Learning District		Summer Program	Assumed until John makes pr	\$	400,000.00	\$	400,000.00		\$ 400,000.00
Non-Instructional District		Dir of Tech	Director of Technology 120k plus fringe	\$	139,200.00		\$ 139,200.00		\$ 139,200.00
Non-Instructional District		Digital	Digital Investment	\$	750,000.00	\$	715,130.00		\$ 534,870.00
Non-Instructional District		INVESTMENTS TB	Was HVAC - Now TBD				\$ 14,728,334.00		
Non-Instructional District		Dist Safety	Districtwide Safety Coordinator	\$	139,200.00		\$ 139,200.00		\$ 139,200.00
Non-Instructional District		Lead Data Analyst	Lead Data Analyst	\$	92,800.00		\$ 92,800.00		\$ 92,800.00
Non-Instructional District		Re-Engagement Cer	Director of Alternative Education	\$	130,000.00		\$ 130,000.00		\$ 130,000.00
Non-Instructional District		Re-Engagement Cer	Clerk	\$	59,000.00		\$ 59,000.00		\$ 59,000.00
Non-Instructional District		Re-Engagement Cer	Student Outreach Lisison	\$	61,000.00		\$ 61,000.00		\$ 61,000.00
		Supplies/Library	Sullivan , Robinson, Greenhalge	\$	21,334.00		\$ 21,334.00		\$ 21,334.00
		4 Assistant Principa	Butler, Bartlett, Robinson, Stoklossa	\$	547,376.00		\$ 547,376.00		\$ 553,858.00
Non-Instructional Renaissance		School Climate	REALLOCATED TO REN SCHOOLS						
Parent Engaqemen Renaissance		Bilingual Parent Lisi	Greenhalge	\$	50,000.00		\$ 50,000.00		\$ 50,000.00
Parent Engaqemen Renaissance		Bilingual Parent Lisi	REALLOCATED TO REN SCHOOLS						
Parent Engaqemen District		Parent Academy	Director				\$ 140,000.00		\$ 140,000.00
Parent Engaqemen District		Parent Academy	28 schools for 35 weeks for 8 hrs \$35/hr				\$ 274,400.00		\$ 274,400.00
Parent Engaqemen District		Parent Academy	Supplies				\$ 85,600.00		\$ 85,600.00
Parent Engaqemen District		FRS Front Desk	Front Desk Support based on clerical costs				\$ 59,000.00		\$ 59,000.00
				\$ 7,667,000.00	\$ 2,044,438.00	\$ 6,968,812.00	\$ 25,493,642.00	\$ 3,236,682.00	\$ 12,676,920.00
				ESSER II	\$ 17,872,494.00	\$ 17,872,494.00	\$ -		
				ESSER III	\$ 40,215,000.00	\$ 40,215,000.00	\$ -		

Projection on Revolving Accounts

Four Main Revolving Accounts:

- 1108 – Use of Facilities –Based on our current forecast as of Jan 2022, the fund balance will reflect \$200k which exceeds our standard carryforward amount for this account. However, certain variables remain based on ongoing maintenance needs and collaboration with the city on cost responsibility.
- 1201 – Food Service Revolving – Our current forecast shows that this fund will exceed the maximum allowable balance if additional investments in food service equipment are not made within the current fiscal year. We have applied to DESE to invest the excess balances on prioritized and eligible investment areas including outdoor refrigeration, food truck, water fountain systems, milk coolers, warmers and café improvements.
- 1924 – Circuit Breaker Revolving – Based on our current forecast as of Jan 2022, we are confident the year end balance will reflect a maximum fund balance of \$3.5 million within this account to carry forward into FY23. However, we continue to enroll and assess students and the cost of any out of district placements has an impact on our ongoing forecast.
- 8395 – SPED Stabilization Account – The current balance in this account is \$1.3 million. There is no maximum balance to this account and the SC could utilize this fund to carry forward additional reserves. However, while the SC can unilaterally invest in this account and carry the funds forward, the SC must request City Council approval to spend the funds once they are in the account.

MGL 44 s64– Water Provided to Students Due to COVID

- Aug 2020 We were told by City Hall/State that we could not use the water fountains in school. Dilemma: *7 CFR 210.10(a)(1)(i) demands that schools must make potable water available and accessible without restriction to children at no charge in the place(s) where lunches are served during the meal service.*
- Based on Section 5.2 of the Aramark contract, Aramark started to provide the bottled water to the schools weekly during FY20/21. Since school did not reopen to all students until April 2021, the amount for water was minimal until the last three months.
- We were invoiced by Aramark in July of 2021. Aramark reported that we could not charge the water to the revolving account. We are continuing to research this with DESE to confirm Aramark's report. In the meantime, we have been working with City Hall to resolve the issues this billing in current fiscal year for last year has caused.
- A purchase order was opened in Aug 2021 for the FY21/22 year but it was incorrectly used. The purchase order had been opened against the revolving account and a check was cut. Since Aramark notified us this was not allowed, the check was deposited back into the same fund. Thus, the September –December bills do not have a purchase order to charge against resulting in these being bills that need City Council approval, too.
- We have been working with City Hall on several issues with these bills including procurement, accounting and how to get the bills paid now.

Solutions: We have since procured water through the state contract until we figure out if the current Aramark contract does indeed cover these costs. However, if we find that the Aramark contract does cover these costs, we would resume working with them since it was far more convenient to have a vendor work with the schools directly on their orders and deliver with other food supplies. We are working with City Hall on the accounting and solutions for payment.

NEXT STEPS FOR FY22/23 BUDGET PROCESS

Finance	January 12th	Update the baseline budget for FY23 to include CBA raises and contract increases						
Finance	January 20th	SC: Update on Budget Process						
Finance	January 20th	Principals: Update on Budget Process						
Finance	February 3rd	SC: Update on SBB Pool, Weights, FSF Update for FY21/22, Governor's initial budget						
Finance	February 3rd	SC: Update on FY20/21 Budget with suggested adjustment priority areas						
Finance	February 8th	Principals: send current year FSF workbooks to reacquaint with the format						
Finance	February 17th	SC: Update on Baseline rules, guardrails, sample workbooks: Budget Adj proposal						
Finance	TBD	February Subcommittee meeting re: Gov budget and SBB pool						
Finance	March 3rd	SC: Update on Summary of Impact to Schools & transition policies						
Finance	March 5th	Principals: send their funding summary and workbooks to them						
Finance	March 8th-March 19th	Principals: Budget drop ins with CFO						
Finance	March 20th - April 2nd	Principals: Budget Defense						
Finance	April 7th	SC: Budget update for current year and FY21/22						
Finance	April 21st	SC: Budget update for current year and FY21/22						
Finance	TBD	April Subcommittee meeting re: school site council presentations						
Finance	TBD	April or May Subcommittee meeting re: comprehensive FY23 budget						
Finance	May 5th	SC: Budget FY21/22 Budget Presentation						
Finance	May 10th (Monday)	SC: Budget Public Hearing						
Finance	May TBD if needed	SC: Budget Public Hearing						
Finance	May 19th	SC: Budget Adoption						

Things to Remember

- Strategic fund management requires consistent review of multiple budget years to ensure maximizing every funding stream. We must spend funding streams with shorter timelines FIRST to ensure that the funds are not wasted/unused. This causes grants with longer contracted periods to show larger unused balances while we strategically use past year surpluses. For instance, we are charging current year tutors to year 2 of the FY20/21 grants BEFORE we start hitting the FY21/22 grants. This is done purposefully since we can carry unused portions of grants to next year.
- Grant revenue or amounts “drawn down” are based on actuals not amounts encumbered. For instance, we may need \$100k for a grant salary. The amount we have requested to date will only reflect the actual amount paid and not the amount we know we need for the entire year.
- We will continue to present on the current year with projected close out separate from the FY22/23 budget since they relate to each other. We will keep you updated on the net effect of overlapping the two years and how we strategize carrying funds forward through ESSER management, pre-purchasing and/or replenishing revolving account.

